

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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- (2) Monthly rental paid up to purchase price but for no more than 15 continuous months. Monthly rental is paid for other types of equipment when the initial expected medical needs is less than six(6) months, but not to exceed the purchase price if need extends beyond six months. Equipment with an initial expected medical need of six months or more may be paid as a purchase or a rental.
- (3) Monthly rental payment for oxygen and oxygen equipment without any limitations.
- (4) Servicing and repair fees shall be established for appropriate items. Through a prior approval process, recipient owned equipment is repaired on an "as needed basis if the repair estimate is less than the cost of replacement and if the equipment has not gone beyond its established life expectancy. Service contracts are not covered and manufacturer's warranties are expected to be honored when appropriate. Rental equipment repairs are not reimbursed separately but are considered to be covered in the monthly rental fee.

TN No. 95-17
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TN No. 91-39

Approval Date 3-18-96

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C. HOME INFUSION THERAPY

In-home parenteral and enteral therapies are reimbursed at the lower of billed customary charges or the comparable Medicare Part B allowable amount in effect as of February 1 of each year. If comparable Medicare fees are not available, fees will be based on average charges and updated each February 1 based on the forecast of the Gross National Produce Implicit Price Deflator. No increases will be applied beyond that granted by the North Carolina State Legislature.

Payment for home IV drug therapies is made at 100 percent of the lesser of the actual charge or the applicable per diem fee schedule allowance. Drug prices will be established in accordance with the Pharmacy Plan in Section 12 of Attachment 4.19-B.

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Three separate fee schedule amounts are calculated; one for pain management, one for chemotherapy, and one for antibiotics and other drug therapies. The per diem for each type of drug therapy is the sum of the per diem allowances for each of five service components. The service components and per diem calculations are:

- 1) Pharmacy Services: the per diem allowance for pharmacy services for each type of drug therapy is calculated using average hourly salaries and benefits for pharmacists multiplied by the estimated average hours per day spent for each drug in preparation.
- 2) Pharmacy Supplies: the per diem allowance for pharmacy supplies for each type of drug therapy is calculated using average prices for supplies associated with the preparation and dispensing of a single dose of each IV therapy multiplied by the average number of doses per day.
- 3) Pharmacy Delivery: the per diem allowance for pharmacy delivery for each type of drug is calculated by adding a per trip non-labor and labor calculation. Then adding fifty percent for overhead.

The non-labor portion is calculated using an estimated average mileage per trip multiplied by the federal mileage allowance. The labor portion is calculated by multiplying an estimated travel time for each delivery by an estimated salary and benefits for a delivery person. The per trip delivery calculation is then multiplied by the estimated number of trips per day for each type of drug.

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- 4) Nursing Services
and Supplies: the per diem for nursing services and supplies for each type of drug therapy is calculated using the nursing visit payment for a skilled nurse from the Home Health Fee schedule described in Section 7 of Attachment 4.19-B, multiplied by an average number of weekly visits for each type of therapy then divided by seven.

The per diem for nursing supplies is calculated using an estimate of average prices for supplies associated with nursing services.

In the case of amphotericin therapy, an additional hourly payment will be made for all hours exceeding two hours per visit. This payment will be made at the home health hourly fee for a private duty nurse as described in Section 7 of Attachment 4.19-B. The additional payment will be provided for other drug therapies upon specific approval by the Division of Medical Assistance.

- 5) Equipment: the per diem for equipment is calculated using the separate fee schedule amount from the parenteral and enteral fee schedule that is paid for equipment necessary for IV therapies.

In those cases where a patient is receiving more than one type of IV drug simultaneously, the primary therapy will be reimbursed at an add-on per diem allowance calculated at 50 percent of the pharmacy services per diem, 100 percent of pharmacy supplies per diem, 50 percent of the pharmacy services per diem, 100 percent of pharmacy supplies per diem, 50 percent of the nursing supplies per diem, and 100 percent of the equipment per diem. The drug with the higher per diem is considered the primary. If a patient's drug regimen changes or the patient dies after a pharmacy delivery has been made but before usage of the entire drug issued the average of the per diem's for pharmacy services, pharmacy supplies and pharmacy delivery will be paid for the remaining days of the prescription up to 7 days.

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Annual fee increases are applied each February 1, based on the forecast of the Gross National Product (GNP) implicit price deflator, but not to exceed the increase approved by the North Carolina State Legislature. With the exception of nursing services, nursing supplies, and equipment, adjustments to the per diem fees may be made based on the provision of actual cost data.

There will be no retroactive payment adjustments for fee changes.

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8. Private duty nursing services. (PDN)
- A. Private duty nursing services are reimbursed at the lower of billed customary charges or an established hourly rate. The rate is derived from the average billed charges per hour in the base year and, beginning July 1, 1990, is adjusted annually by the percentage change in the rate for a skilled nursing visit by a home health agency.
 - B. Effective October 1, 1993, payment for Private Duty Nursing Medical Supplies, except those related to provision and use of DME, shall be reimbursed at the lower of a provider's billed customary charges or the maximum fee established for certified home health agencies. The maximum amount for each item is determined by multiplying the prevailing Medicare Part B allowable amount by 145 percent to account for the allocation of overhead costs and by 80 percent to encourage maximum efficiency. Fees will be established based on average, reasonable charges if a Medicare allowable amount cannot be obtained for a particular supply item. The Medicare allowable amounts will be those amounts available to the Division of Medical Assistance as of July 1 of each year.

TN No. 93-18
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TN No. 90-04

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9. Clinic Services

- a. Payments will be based on negotiated fee, not to exceed reasonable cost

For services provided by or through the memorandum of understanding between the Department of Health and Human Services, Division of Medical Assistance and the Department of Environment and Natural Resources (DENR) a supplemental payment will be made between September 20, 1995 and September 30, 1995, in an amount which represents the difference between the estimated cost of services for the 12 month period ending September 30, 1995, and the estimate of payments made by the Division of Medical Assistance for these services. The amount of the supplement payment will be set by the Director of the Division of Medical Assistance and will not exceed \$15,000,000. Effective with dates of services for the fiscal period beginning October 1, 1995, and for subsequent periods beginning October 1 an interim payment for services will be made by the Division of Medical Assistance. To assure payments do not exceed the upper payment limits set forth at 42 CFR 447.321, the payments made by this paragraph will be cost settled on a statewide average per service to determine the difference between the reasonable cost of service provided as determined by the Division of Medical Assistance and the amount of payment made for the services for each fiscal period corresponding to the payment periods specified. Cost settlements for the September 30, 1995, and September 30, 1996, fiscal period will occur within six (6) months after the approval date of this amendment, subsequent fiscal periods will be cost settled within six (6) months of the end of each fiscal period.

This cost methodology does not apply to the reimbursement of services which are billed by health departments for physicians, nurse midwives, and nurse practitioners who are not salaried employees of a health department and whose compensation is not included in the service cost of a health department. These services are reimbursed in accordance with the fees established in Section 5, Attachment 4.19-B.

TN. No. 00-03
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- b. Services provided by licensed kidney dialysis centers are reimbursed based on Medicare payment rates.
- c. Services provided by licensed Ambulatory Surgical Centers are reimbursed based on the State average rates derived from the Medicare rates for routine facility services. Additional ancillary services, such as laboratory, x-ray and general anesthesia services, are reimbursed at the comparable fees paid to other providers.

TN No. 90-08
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TN No. 88-12

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10. Dental services.

Payments for dental services shall be equal to the lower of the submitted charge or the appropriate fee from the fee schedule in effect on January 1, 1995, except for payments to the University of North Carolina Dental School which will be reimbursed at cost and cost settled at year end.

- A. Annual fees are increased each January 1 based on the forecast of the Gross National Product(GNP) Implicit Price Deflator, but not to exceed the percentage increase granted by the North Carolina State Legislature.
- B. Fees for new services are established based on the fees for similar existing services. If there are no similar services the fee is set at 75 percent of the estimated average charge.
- C. Fees for services deemed to be associated with adequacy of access to health care services may be increased or decreased based on administrative review. The service must be essential to the health needs of the Medicaid recipients, no other comparable treatment available and a fee adjustment must be necessary to maintain dental participation at a level adequate to meet the needs of Medicaid recipients.

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11. Physical therapy and related services - Physical therapy, occupational therapy and services for individuals with speech, hearing and language disorders (provided by or under the supervision of a speech pathologist or audiologist).

a-c. Not provided.

TN No. 88-12 DATE/RECEIPT 9/21/88
SUPERSEDES DATE/APPROVED 6/9/89
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